

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-171—sSB 75 (VETOED)

Commerce Committee

Finance, Revenue and Bonding Committee

**AN ACT INCREASING THE CAP ON THE NEIGHBORHOOD
ASSISTANCE ACT TAX CREDIT PROGRAM**

SUMMARY: This act raises, from \$5 million to \$10 million, the annual cap on Neighborhood Assistance Act (NAA) tax credits available for businesses contributing to or investing in municipally approved community projects and programs. The Department of Revenue Services, which administers the credits, must continue to award, as the law requires, \$3 million in NAA credits to businesses contributing funds specifically for energy conservation projects, job training programs, and programs benefiting low-income people.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

NAA

By law, the NAA program provides business tax credits to businesses that contribute or invest at least \$250 in certain municipally approved community activities and programs. The credits are generally 60% of the contribution or investment; certain energy conservation-related investments are eligible for a 100% credit. But a business can annually receive a credit of up to (1) \$50,000 per year for investing in childcare facilities and (2) \$150,000 for all NAA-eligible contributions or investments (CGS § 12-630aa et seq.).

Related Act

PA 14-227 extends NAA credits to businesses investing in certain comprehensive college access loan forgiveness programs located in designated areas.

OLR Tracking: JR:KLM:JKL:ro